



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 5, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending August 31, 2021.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending August 31, 2021.

RECOMMENDATION: That City Council receives the Monthly Financial Report.

BACKGROUND: The following discussion is a summary of the Monthly Financial Report for this period. Detailed comparative schedules are attached.

As of August 31, 2021, General Fund revenues totaled \$14.2 million, a decrease of 14.1 percent compared to the same period in FY 2021. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year. Timing issues are also much more pronounced in the early months of the fiscal year. For example, at this time the first half of the City's Personal Property Tax Relief from the Commonwealth has not been received, but the City had received \$11.8 million at this time in FY 2021. Communication Sales and Use Taxes had also been received and posted at this time last year. The first significant tax revenue in FY 2022 is traditionally due on October 5, when personal property taxes for vehicle and business personal property are due. The bills are mailed in mid to late August and payments processed in August can vary significantly.

Revenues do often not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly through the year. Large revenue sources, such as real estate and personal property tax revenues are remitted twice per year and once per year, respectively. Through the first two months of the fiscal year, no category has sufficient receipts to establish a clear pattern, however based on unaudited revenues in FY 2021, several categories, including Business License Tax, Restaurant Meals, Recordation and Sales Tax Revenue may exceed the budgeted amounts that were assumed in light of the ongoing pandemic. Transient Occupancy Tax collections underperformed expectations. While some of this additional revenue was projected in the Spring and considered in the context of the FY 2022 budget, these additional revenues exceeded the cautious estimates made for FY 2021 earlier in the year when staff was still assessing the unprecedented tax revenue impact of the pandemic on consumer behaviors. Staff is working on the FY 2022 revenue projections and will complete them and present the findings at Council's November 6 Retreat. Attachment 1 provides a preliminary comparison of FY 2021 unaudited revenue totals compared to the FY 2021 Approved Budget.

In addition to the revenues and expenditure schedules, Attachment 3 provides a comparison of the City's primary local taxes related to consumer spending. Sales Tax revenue continues to exceed prior years. In total, in FY 2021, Sales Tax revenue exceeded the prior year by \$2.3 million, or 7.7 percent. A large portion of the sales tax increase can be attributed to on-line purchases where the sales tax

is designated for the jurisdiction where the home delivery of the online purchase occurred. For in store purchases, the sales tax is attributed to the jurisdiction where the store is located. This shift in the situs of the taxable sale benefitted Alexandria as City residents out of jurisdiction in store shopping dropped significantly during the pandemic, while internet shopping with home delivery increased substantially. Preliminary audited Sales Tax revenues of \$32.3 million more than the budgeted amount of \$26.2 million. Transient Lodging Tax revenue of \$0.7 million in July 2021 reflect an increase of \$0.4 million compared to July 2020. Meals Tax Revenue of \$2.3 million reflect an increase of 66.4 percent to revenues in July 2020.

As of August 31, 2021, FY 2022 General Fund expenditures totaled \$102.8 million, an increase of \$10.4 million over the same time period for FY 2021. Similar to the situation with revenues, it is too soon to make any definitive economic interpretation from the activity that has occurred in the first two months of the fiscal year. No significant expenditure has occurred in the first quarter of Fiscal Year 2022 that is unbudgeted or unexpected. The most significant difference is the timing and source of payments. For example, the City's contribution to WMATA is funded from several sources. Last year, General Fund resources were conserved and a greater portion of the contribution came from other sources compared to this year. In Non-Departmental, Pension Supplement payments were made earlier in FY 2021.

ATTACHMENTS:

Attachment 1: Comparative Statement of General Fund Revenues
Attachment 2: Comparative Statement of General Fund Expenditures
Attachment 3: Consumer Spending comparison charts

STAFF:

Laura Triggs, Deputy City Manager
Kendel Taylor, Director, Finance Department
Morgan Routt, Director, Office and Management and Budget

CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND

FOR THE PERIODS ENDING AUGUST 31, 2021 AND AUGUST 31, 2020

	B	C	D=C/B	E1	E2	F	G=F/E2
	FY 2022	FY 2022		FY 2021	FY 2021	FY 2021	
	APPROVED	REVENUES	%	APPROVED	UNAUDITED	REVENUES	%
	BUDGET	THRU 8/31/2021	OF BUDGET	BUDGET	REVENUE	THRU 8/31/2020	OF TOTAL
General Property Taxes							
Real Property Taxes.....	\$ 483,311,548	\$ 1,235,439	0.3%	\$ 477,554,000	\$ 478,601,885	\$ 1,125,126	0.2%
Personal Property Taxes.....	55,126,000	3,627,030	6.6%	55,213,000	52,984,935	5,303,800	9.6%
Penalties and Interest.....	2,600,000	140,245	5.4%	2,808,000	3,183,207	84,656	3.0%
Total General Property Taxes	\$ 541,037,548	\$ 5,002,714	0.9%	\$ 535,575,000	\$ 534,770,026	\$ 6,513,582	1.2%
Other Local Taxes							
Local Sales and Use Taxes.....	\$ 31,720,000	\$ -	0.0%	\$ 26,194,000	\$ 32,258,892	\$ 191	0.0%
Consumer Utility Taxes.....	11,760,000	1,149,865	9.8%	12,700,000	11,534,144	1,009,438	7.9%
Communication Sales and Use Taxes.....	7,600,000	-	0.0%	8,275,000	8,106,878	741,292	9.0%
Business License Taxes.....	34,135,900	142,110	0.4%	22,000,000	37,042,157	457,622	2.1%
Transient Lodging Taxes.....	6,500,000	776,805	12.0%	10,833,000	4,762,880	312,598	2.9%
Restaurant Meals Tax.....	19,980,000	2,574,001	12.9%	20,500,000	21,934,868	2,302,315	11.2%
Tobacco Taxes.....	1,957,000	208,858	10.7%	2,600,000	2,137,890	193,776	7.5%
Motor Vehicle License Tax.....	-	916	0.0%	-	25,676	3,647	0.0%
Real Estate Recordation.....	8,645,000	732,205	8.5%	5,900,000	9,016,670	613,308	10.4%
Admissions Tax.....	124,000	25,730	20.7%	500,000	104,221	823	0.2%
Other Local Taxes.....	4,595,000	197,652	4.3%	5,109,090	4,581,840	226,159	4.4%
Total Other Local Taxes	\$ 127,016,900	\$ 5,808,143	4.6%	\$ 114,611,090	\$ 131,506,114	\$ 5,861,171	5.1%
Intergovernmental Revenues							
Revenue from the Fed. Government.....	\$ 7,932,000	\$ 546,892	6.9%	\$ 11,109,303	\$ 10,969,663	\$ 619,650	5.6%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	-	0.0%	23,578,531	23,578,531	11,789,265	50.0%
Revenue from the Commonwealth.....	25,124,000	14,333	0.1%	23,547,855	25,004,621	724,464	3.1%
Total Intergovernmental Revenues	\$ 56,634,531	\$ 561,225	1.0%	\$ 58,235,689	\$ 59,552,814	\$ 13,133,379	22.6%
Other Governmental Revenues And Transfers In							
Fines and Forfeitures.....	\$ 3,762,000	\$ 413,399	11.0%	\$ 3,502,615	3,076,876	\$ 529,848	15.1%
Licenses and Permits.....	2,136,550	220,671	10.3%	2,339,631	4,185,341	425,997	18.2%
Charges for City Services.....	13,724,495	1,428,290	10.4%	14,308,344	10,681,086	1,041,954	7.3%
Revenue from Use of Money & Prop.....	4,139,167	444,719	10.7%	5,498,250	3,149,630	640,882	11.7%
Other Revenue.....	2,115,013	315,323	14.9%	2,019,966	1,921,463	184,756	9.1%
Transfer from Other Funds.....	10,142,543	-	0.0%	9,246,427	9,246,427	-	0.0%
Total Other Governmental Revenues	\$ 36,019,768	\$ 2,822,402	7.8%	\$ 36,915,233	32,260,823	\$ 2,823,437	7.6%
TOTAL REVENUE	\$ 760,708,747	\$ 14,194,483	1.9%	\$ 745,337,012	\$ 758,089,778	\$ 28,331,568	3.8%
Appropriated refunding bond proceeds.....					\$ 49,887,196		
Appropriated Fund Balance							
Operating Budget	\$ 10,000,000	\$ -	\$ -	\$ 7,939,135	\$ -	\$ -	-
Cash Capital.....							
Encumbrances And Other.....		-	-	-	-	-	-
Supplemental Appropriations.....		-	-		-	-	-
TOTAL	\$ 770,708,747	\$ 14,194,483	1.8%	\$ 753,276,147	\$ 807,976,974	\$ 28,331,568	3.8%

16.67% of Fiscal Year Completed
14.50% of Payrolls Processed

Attachment 2

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING AUGUST 31, 2021 AND AUGUST 31, 2020**

	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY 2022	%	FY 2021	FY 2021	%
FUNCTION	APPROVED	EXPENDITURES	OF BUDGET	APPROVED	EXPENDITURES	OF BUDGET
	BUDGET	THRU 8/31/2021	EXPENDED	BUDGET	THRU 8/31/2020	EXPENDED
Legislative & Executive.....	\$ 4,160,239	\$ 618,115	14.9%	\$ 3,491,191	\$ 503,778	14.4%
Judicial Administration.....	\$ 43,736,808	\$ 6,835,636	15.6%	\$ 45,325,870	\$ 7,032,553	15.5%
Staff Agencies						
Communications.....	\$ 1,576,965	\$ 190,926	12.1%	\$ 1,547,230	\$ 218,022	14.1%
Human Rights.....	1,008,210	172,640	17.1%	940,880	136,758	14.5%
Information Technology Services.....	13,343,563	3,419,749	25.6%	12,664,588	3,107,581	24.5%
Management & Budget.....	1,475,268	161,066	10.9%	1,275,096	178,678	14.0%
Finance.....	12,646,010	1,572,630	12.4%	12,319,067	1,626,971	13.2%
Performance and Accountability.....	655,709	137,593	21.0%	509,308	129,099	25.3%
Internal Audit.....	396,605	39,718	10.0%	306,170	39,095	12.8%
Human Resources.....	4,662,400	750,236	16.1%	4,012,280	649,922	16.2%
Planning & Zoning.....	6,383,717	828,575	13.0%	5,777,856	822,428	14.2%
Economic Development Activities.....	7,011,340	1,653,480	23.6%	6,923,390	1,629,991	23.5%
City Attorney.....	3,582,295	418,004	11.7%	3,251,445	443,600	13.6%
Registrar.....	1,329,387	172,720	13.0%	1,459,825	186,838	12.8%
Organizational Excellence	177,448	18,350	10.3%	152,429	19,549	-
General Services.....	10,670,321	1,283,876	12.0%	10,950,902	1,368,990	12.5%
Total Staff Agencies	\$ 64,919,238	\$ 10,819,563	16.7%	\$ 62,090,466	\$ 10,557,524	17.0%
Operating Agencies						
Transportation & Environmental Services.....	\$ 23,831,644	\$ 2,051,824	8.6%	\$ 21,423,671	\$ 2,644,323	12.3%
Project Implementation.....	-	6,289	0.0%	-	25	0.0%
Fire.....	52,242,578	6,935,082	13.3%	51,683,050	6,686,600	12.9%
Police.....	60,222,046	8,302,413	13.8%	62,042,696	8,350,335	13.5%
Community Policing Review.....	288,866					
Emergency Communications.....	9,083,917	1,449,066	16.0%	8,727,703	1,577,032	18.1%
Code.....	-	-	0.0%	24,000	449	1.9%
Transit Subsidies.....	19,255,706	4,570,046	23.7%	20,658,367	239,866	1.2%
Housing.....	1,814,506	271,112	14.9%	1,757,228	270,591	15.4%
Community and Human Services.....	15,460,024	1,737,259	11.2%	13,847,042	1,934,022	14.0%
Health.....	8,823,817	2,017,858	22.9%	9,442,886	1,946,234	20.6%
Historic Resources.....	3,533,997	500,874	14.2%	3,295,795	504,214	15.3%
Recreation.....	24,419,339	3,225,920	13.2%	23,063,820	2,907,017	12.6%
Total Operating Agencies	\$ 218,976,440	\$ 31,067,741	14.2%	\$ 215,966,258	\$ 27,060,708	12.5%
Education						
Schools.....	\$ 239,437,296	\$ 12,794,622	5.3%	\$ 234,037,296	\$ 11,939,364	5.1%
Other Educational Activities.....	15,785	3,946	25.0%	16,009	4,002	25.0%
Total Education	\$ 239,453,081	\$ 12,798,568	5.3%	\$ 234,053,305	\$ 11,943,366	5.1%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 36,851,668	\$ 22,351,137	60.7%	\$ 37,288,071	\$ 22,875,140	61.3%
Debt Service - Schools.....	\$ 28,633,966	17,366,967	60.7%	28,578,698	\$ 17,335,934	60.7%
Expenses on Refunding Bonds.....	-	-	0.0%	-	-	0.0%
Non-Departmental.....	\$ 10,515,759	849,467	8.1%	13,432,612	4,010,014	14.3%
General Cash Capital.....	\$ 34,424,271	-	0.0%	27,948,743	-	0.0%
Contingent Reserves.....	604,170	-	0.0%	-	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 111,029,834	\$ 40,567,571	36.5%	\$ 107,248,124	\$ 44,221,088	41.2%
TOTAL EXPENDITURES	\$ 682,275,640	\$ 102,707,194	15.1%	\$ 668,175,214	\$ 101,319,018	15.2%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...	\$ 55,939,481		0.0%	\$ 60,201,280	\$ 11,791	0.0%
Transfer to Housing.....	4,588,522	-	0.0%	-	-	0.0%
Transfer to Library.....	7,556,858	842	0.0%	7,175,971	14,104	0.2%
Transfer to DASH.....	20,348,446	74,973	0.4%	17,723,682	11,854,706	66.9%
TOTAL EXPENDITURES & TRANSFERS	\$ 770,708,947	\$ 102,783,008	13.3%	\$ 753,276,147	\$ 113,199,619	15.0%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 231,771,262	\$ 31,473,302	13.6%	\$ 228,904,844	\$ 31,099,067	13.6%
Non Personnel (includes all school funds)	538,937,685	71,309,705	13.2%	524,371,303	82,100,552	15.7%
Total Expenditures	\$ 770,708,947	\$ 102,783,008	13.3%	\$ 753,276,147	\$ 113,199,619	15.0%

